

AGM 2017

CHARTERED INSTITUTION OF WASTES MANAGEMENT

ANNUAL GENERAL MEETING OF CORPORATE MEMBERS

Held on Wednesday 13 September 2017 at 1.15pm in Piazza Suite 1, NEC, Birmingham, B40 1NT

MINUTES

The President of the Institution, M Bates was in the Chair.

The following Corporate Members of the Institution were recorded as being present:-

A Barker	M Gover	A Read
M Bates	J Harper	S Reynolds
T Benfield	L Hill	S Riggs
M Brocklehurst	C James	D Roberts
P Calliafas	A Lappage	J Robinson
C Church	D Law	S Robinson
C Cole	S Lee	S Routledge
R Colley-Jones	P Mahon	M Sharp
J Cooper	T March	M Short
S Creed	G Morton	T Tudor
J Davis	C Murphy	N Tytler
S Didsbury	K Mynard	SJ Widdowson
M Dunn	D Newman	A Wild
M Ellis	T Nicoll	A Willetts
P Frith	C Nicoll	A Zeb-Khan
R Georgeson	C Poole	

In Attendance:

K W Webster (Group Finance Director & Company Secretary)

Steve Corne (Honorary Treasurer)

J Eden (Solicitor, EMW Picton Howell LLP)

P McLaughlin (Chairman, Audit Committee)

Apologies

J Evans, L Heasman, A Holmes, J Quinn,

Welcome

The Chairman welcomed all Members present to the Annual General Meeting of the Chartered Institution of Wastes Management, and reminded those attending that only Corporate Members (i.e. Fellows, Members and Licentiates) may vote, although non-corporate members were welcome to attend the meeting. She reminded all such corporate members that if they had not already done so they should give their names to the staff on the door as they left the meeting. She then declared the meeting open, and requested the Chief Executive Officer to read the Notice of Meeting.



Notice of Meeting

The Chief Executive Officer read the Notice of Meeting dated 11 August 2017 that had been circulated earlier to all Corporate Members.

1. Confirmation of Proxies

The CEO reported that a total of 74 proxy voting forms had been received, including 2 proxies allocated to Members present at the meeting, these were read out by the CEO.

2. Trustees' Report and consolidated financial statements for the year ended 31st December 2016

The President informed the meeting that the Trustees Report and consolidated financial statements are available to view from the CIWM website and that hard copies of the document were made available to members who requested them under the procedure in the Notice of Meeting. At the invitation of the President the Honorary Treasurer, Steve Corne presented the Trustees' Report and the consolidated financial statements. The Honorary Treasurer commented as follows:

"Economic and commercial conditions have remained challenging during 2016. Many of the CIWM Group's products and services fall into the category of "optional spend" for which recovery and growth is always slower. The continued imposition of constraints upon public sector expenditure continues to impact revenues, particularly those of CIWM's trading subsidiary, CIWM Enterprises Limited. The effect of this together with the continued commitment of staff time and resources to the development and implementation of a new comprehensive customer relationship database has impacted upon results for the year.

"However, the new single customer and contact database is beginning to deliver efficiencies particularly by providing members and others with greater online functionality.

"CIWM has recorded a deficit on Unrestricted General Reserves for the year of £236,683.

"The results of WAMITAB have been consolidated from the date it became a wholly owned subsidiary of CIWM – 25 July 2016. WAMITAB is a registered charity in its own right and its reserves can only be expended in furtherance of its charitable objectives. They are, therefore, shown as a Restricted Fund. WAMITAB's income and expenditure for the period has been recorded separately from the other results of the CIWM Group.

"After including the results of WAMITAB and the other Endowment funds a surplus of £2,525,187 is reported. This result reflects the inclusion for the first time in CIWM's financial position of the net accumulated reserves held by WAMITAB on the date it became a wholly owned subsidiary of CIWM; these totalled £2,745,702 and, as required by accounting regulations, have been recorded in the Statement of Financial Activities as a donation received during the year, thus increasing the Group's income. This is an accounting presentation only.



“After recognition of realised and unrealised investment gains of £159,982 the net consolidated income to be transferred to all reserves was £2,685,169 which means that the CIWM Group consolidated funds have increased from £4.2m to £6.9m.

“The net operating deficit of £236,683 is a disappointing result but Trustees remain confident in the underlying strength of CIWM and its brands and the demand from members and others for the services and benefits the Group provides. The Group consolidated balance sheet remains strong with substantial accumulated financial reserves providing the strength and depth to enable it to meet and overcome challenging economic circumstances. Trustees and senior staff have been, and continue, to work on developing and establishing strategies and initiatives to address these challenges and to implement robust budgets and plans to bring the CIWM Group's financial results into sustainable annual surpluses in the medium term. This work includes commissioning an in-depth research study to inform the future development of products and services both for members, learners and customers in the industry sectors the Group serves.”

The President thanked the Honorary Treasurer for presenting the Report and Accounts. She went on to draw members attention to Byelaw 34 of the Institution's Constitution which states that 'the business of the Annual General meeting shall be to receive and consider the annual report of the General Council and the accounts and to appoint and fix the remuneration of the auditors.' Questions should relate to these matters of business and be on topics relevant only to the affairs of the Institution itself.

She then invited questions or comments from the floor. In doing so, she confirmed that the Company Secretary had been notified in advance of 3 questions from Mr. Peter Calliafas who was invited at this point to read out his questions which were as follows:-

a. CIWM's financial performance and turnaround plan

“For the year ended 31st Dec 2015, CIWM recorded a net operating deficit of £318,092. For the financial year just ended, it recorded a further net operating deficit of £236,683 (including a retained loss of £27,410 by CIWM Enterprises Ltd). This makes a cumulative operating deficit of £554,775. Can the Institution provide further clarification please about its turnaround plan, implementation and timings beyond what is set out in general terms on page 9?”

The President responded as follows:-

“Trustees are concerned and disappointed about the continued deficit. They commissioned a detailed piece of research work and are grateful to members and others who participated. The results of this research suggested some new areas to work on but also confirmed the appropriateness of actions already taken by Trustees. These include refocussing on membership with membership retention, development and growth all key priorities. As advised in papers for AGM agenda item 4, work on updating the constitution includes reviewing and revising the membership grade structure to provide clearer career paths and respond more appropriately to members (and potential members) differing needs. A comprehensive review of the suite of products and services presently offered by the CIWM Group is also in progress and new opportunities are being sought and developed. Further information will be publicised as and when appropriate using relevant comms channels including the CIWM monthly Journal and next year's - that is the 2017 Annual Report.”



b. Investment in Cloud Sustainability Ltd

“Ref page 11) - The published accounts for Cloud Sustainability Ltd for the year ended 31st March 2017 show a further loss incurred of £205,158, accumulated losses of £2.3m and a negative net asset worth of £50,778. According to Companies House, IP Group is an investor in both Cloud Sustainability Ltd as well as in Ditto A1 Ltd. Setting aside the notional share for share transaction, there is no immediate prospect of a return to CIWM and the business plan is off track. Could the Institution clarify its impairment policy please in respect of this investment?”

The Honorary Treasurer responded as follows:-

“As disclosed in CIWM's accounts, the acquisition of Cloud Sustainability Ltd by Ditto AI Ltd occurred in mid June 2017 just as the 2016 accounts were being finalised and approved by Trustees. The information made available by Ditto AI Ltd at that time advised that the acquisition of Cloud Sustainability Ltd was part of Ditto AI's forward plan to make further substantial investment into the development of its whole product range with financing from an equity capital funding round through share issues at a similar price and valuation to that used in the share for share acquisition transaction. Based on that information, Trustees decided to maintain the valuation of CIWM's investment in the 2016 accounts. Trustees continue to monitor this investment carefully and the question of its valuation, and whether any provision for impairment or loss is required, will be reviewed on an annual basis during the preparation of the 2017 year end accounts.”

c. Investment in the ESA Education Trust

“Ref note 15) – I note that the remaining £250,000 is available for the ESA ET to draw down subject to it evidencing the work and project outcomes of the earlier £250,000 made available. Could the Institution provide clarity please on the work and project outcomes achieved from the initial £1m provided by WAMITAB previously?”

The President responded as follows:-

“CIWM Trustees received the following report on this matter the donations made to the Environmental Services Association Educational Trust (the ESA ET) at their June 2017 meeting:

“WAMITAB originally donated £1.2m to ESA ET approved by a Special Resolution in 2008 with written approval for the donation having been given by the Charities Commission. The Special Resolution included provision for a reporting mechanism through a representative from WAMITAB Trustees sitting on the Board of ESA ET. This role was carried out by Roger Hewitt and/or Barry Dennis (who represented the Environmental Services Association on the WAMITAB Board). The present WAMITAB Chair advised that he understood that one of them periodically reported verbally to the WAMITAB Board, although there is little or no reference to this recorded in the WAMITAB Board minutes.”

“In September 2016, the newly constituted WAMITAB Board reviewed the donations policy and recognised the need for a more formal project reporting mechanism from the recipients of its donations. The Worshipful Company of Water Conservators and Robinson College both responded to requests for up-to-date information and continue to do so. Unfortunately, ESAET did not.”



In the absence of information provided by the ESA ET Trustees themselves, the WAMITAB Trustees have to rely on details disclosed in the ESA ET annual accounts which are in the public domain as they are available on the public register at Companies House. They show that in the period since April 2008 several donations have been made to support research projects including £100k to the MSc programme run by the Water Conservators Trust. The ESA ET has also donated funds to support studentships at the University of Cambridge with £598,280 (the single largest donation from the £1.2 million) being given to a research project being undertaken at Trinity Hall, at the University of Cambridge called "Utilization of Waste Products by Rhodopseudomonas".

The President asked if any other member has any other questions.

d. Mr Neil Tytler asked the following 4 questions:-

"Income from membership subscriptions is significantly lower and, as there was a subscription increase for 2016, it must mean that membership numbers have fallen. Please can you provide detail on the number of members lost and the specific grades affected?"

Andy Barker, Centre Support Manager responded "that as of 1st September 2017 total membership stood at 5,550. Membership numbers have been falling since 2008 and there was a decrease again in 2016 compared to 2015 but the rate of loss has slowed."

The Group CEO stated that one can speculate about the reasons for this decline, but there is a clear need to refresh the membership offer and, as advised, that work is ongoing.

e. "There appears to be an underlying problem as the aggregate loss in the last two years is over £500k. The injection of funds from WAMITAB appears to be "manna from heaven".

The Honorary Treasurer clarified that, "as stated in the financial statements, WAMITAB's reserves are ring-fenced to be used for its charitable purposes. They cannot be used by CIWM". The Honorary Treasurer stated that CIWM is in a turnaround situation and it was hoped to achieve that in the medium term but, although work was in progress, it would not happen in 2017 and a further deficit was expected for the year 2017.

f. "Despite the deficit, there appears to have been no effort to trim costs. Staff costs have increased and the number of staff has increased by 11".

The Honorary Treasurer advised that "the comparative figures between 2016 and 2015 have been distorted because of the inclusion of WAMITAB for the first time in 2016. The increase in staff numbers is solely due to the inclusion of WAMITAB employees in the numbers."

g. "If the reserves of WAMITAB cannot be utilised to help CIWM, what is being done to recoup the losses?"



The Group CEO advised that "several different actions were in progress but an immediate turnaround was not possible. CIWM has reserves and Trustees have retained them to cover contingencies and now they are required. Trustees and staff are focussed on finding a way through and the evidence from discussions with members and the market place in general is that that exists. Trustees are implementing a plan to develop membership and increase product sales, but an exit strategy will also be in place in case of need".

Peter Calliafas then asked another question as follows:-

- h. "With respect to WAMITAB what are the separation of lines for governance and how are conflicts of interest being managed?"

The Group CEO advised that "Trustees of both CIWM and WAMITAB had worked together and developed a new conflict of interest policy which is available on both websites and which WAMITAB had sent to OfQual. WAMITAB retains its own Board of Trustees who are the guardians of the qualifications awarding function; that Board is currently being expanded to reflect other sectors outside of waste management. Insurance policies, administered by CIWM, now cover the whole Group. Chris James continues as WAMITAB CEO but also has a wider cross Group role with responsibility for Educational Standards."

The President asked Paul McLaughlin, Chair of Audit Committee to read out the Auditors Report and opinion on the 2016 accounts.

Mr McLaughlin advised "that Kingston Smith has issued a clean audit report with no qualifications or comments on the financial statements" and referred members to page 17 of the Financial statements for the year ended 31 December 2016.

He read the following statements of opinion provided in the Kingston Smith audit report:-

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2016 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

He advised that the audit report was signed by Sandra De Lord, Senior Statutory Auditor for and on behalf of Kingston Smith LLP and is dated 7 August 2017.

On a proposal by R Colley-Jones, seconded by A Read it was unanimously

Resolved

that the Trustees Report and consolidated financial statements for the year ended 31st December 2016 be received.



3. Membership of the General Council 2017/18

At the President's request the Chief Executive Officer referred to the Report which is available to view from the CIWM website setting out the membership of the Institution's General Council (The Trustees) for the year 2017/18. It was noted that this Report was for information only. The CEO added "In June 2017, CIWM, CIWM Enterprises and WAMITAB made some internal changes to lines of reporting and accountability. These are designed to build on the Group's strengths to support the refocusing of the Group on its members and learners and on being an influential voice in the resource and wastes management sector. Professional standards remain the fundamental driver for the CIWM Group, and membership remains a professional function of CIWM, it is not part of Enterprises' remit and the associated income is not and will not be part of Enterprises' accounts. This restructuring did not involve changes to the number or remuneration of staff."

4. Update on proposed changes to the Constitution

The CEO referred to the proposed changes to modernise the Constitution and wished to put on record his thanks to the Constitution Review Committee for their continued efforts. Discussions will continue with the Privy Council and Members will be consulted on those changes.

On a proposal by P Calliafas, seconded by A Lappage it was unanimously

Resolved

That the proposed changes to the Constitution of the Institution be progressed and, where appropriate, brought to a future General Meeting.

5. Appointment of Auditors

The President reminded the meeting that the General Council recommends that the firm of accountants Kingston Smith LLP be appointed to act as the Institution's Auditors for the accounting year ending 31st December 2017 and that their fees be subject to the approval of the Executive Committee.

On a proposal by S Creed seconded by S Didsbury, it was unanimously

Resolved

that Kingston Smith LLP be appointed as the Institution's Auditors for the year 2017 at such remuneration as shall be agreed by the Executive Committee of the Institution's General Council.

6. Vote of Thanks

At the invitation of the President Dan Roberts proposed the vote of thanks.

"I am honoured to have been invited, on behalf of members of CIWM, to give this vote of thanks today.

"It is right that thanks and appreciation are conveyed to a great number of people, for their continued dedication and professionalism in maintaining and improving standards across our organisation, and indeed the wider industry.



"I would like to record thanks to the trustees, general councillors and centre representatives. At a regional level, centre chairs, treasurers, secretaries and councillors contribute a great deal of time and energy behind the scenes in order to prepare and deliver inclusive, informative events to engage with both current and future members. The co-ordination of the New Members Networks is an excellent example of the work that is taking place.

"Thank you also to the CIWM staff, led by Dr Colin Church. From technical support to editorial of the thought provoking journal, from training development and delivery to membership support services, the machinations of the organisation depend on your diligence and your efforts are greatly appreciated by members. Margaret Bates' knowledge and passion as president has inspired many members over the past year and this is also an opportunity to thank the countless volunteers upon which CIWM depends. Whether they are providing venues for centre meetings, or delivering one of the hundreds of presentations and workshops that take place each year, their individual actions contribute hugely.

"These remain exciting times for members of the CIWM and the continued support of all parties and individuals with a stake in retaining a strong and unified voice across the industry will serve us all well. For these reasons and many more I am honoured, on behalf of members of CIWM, to express our gratitude."

7. Close of meeting

There were no other items of business, the President thanked members for their attendance and declared the meeting closed at 13.49.

SignedDated.....

